



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 17 August some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 added 0.8-1.6% on strong quarterly statements of a number of large companies and hopes for a rapprochement of the positions of the US and China on trade disputes during the negotiations scheduled for the end of August. On Friday the composite index of the Asia-Pacific region, MSCI Asia Pacific, increased by 0.4% following the US stock exchanges. Negative exception in the Asian session was the Chinese market – the CSI300 index lost 1.4%, including on statements of Donald Trump that the US is not going to conclude any deals until China offers the best conditions. In addition, the pressure on Chinese papers was made by a statement of the US State Department official that Washington is ready to impose sanctions against third countries for trade with Iran after the full restoration of US sanctions against Iran in early November. Experts believe that in this case, the sanctions will also affect China, which is the largest importer of Iranian oil. October Brent futures traded near \$71.3 per barrel, \$0.2 higher than our closing level on 16 August. The industry experts attribute a small strengthening of oil prices to the weakening of the dollar in the world foreign exchange market.

The Russian market, as well as the global markets in general, was dominated by sellers due to a new round of the Turkish crisis, in the middle of the day the MOEX Russia Index and the European Stoxx Europe 600 Index lost about half a percent. On Thursday the US Treasury Secretary said that the US is ready to impose new sanctions against Turkey, if Ankara does not release the arrested American pastor. Against this background, the loss of the Turkish lira on Wednesday reached 9%, causing new fears of financial "contamination" of the economies connected with Turkey and reducing the appetite of investors for risky assets. The statistics published during the day were ambiguous and had no significant effect on the trading trends. In the Eurozone inflation in July accelerated to 2.1%, the maximum since December 2012, the US consumer confidence index fell more than expected – to the minimum since September last year.

As a result of the trading session the MicexPWR Sector Index underperformed mainly due to a decrease in shares of RusHydro, Inter RAO and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The government approved the rules for technological operation of electric power systems

The regulations provide for development of another 35 regulatory acts in the field of technological regulation of the functioning of the energy system. In particular, the rules for operation of power plants and grids, the rules for working with personnel in electric power organizations, the rules for switching in electrical installations, the rules for preventing development and liquidation of violations of the normal operation mode of electric power systems and power facilities, etc.

Read full text: <https://www.bigpowernews.ru/markets/document84231.phtml>

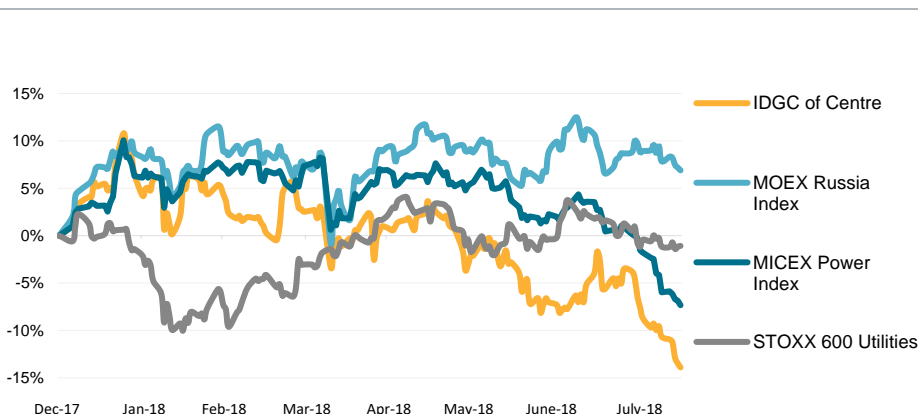
COMPANY NEWS

Annual report of IDGC of Centre won the silver award of the international LACP competition

The annual report of IDGC of Centre for 2017 received the silver award of the international LACP 2017 Vision Awards competition in the sector "Utilities – Electric". The Company's report entered the top 80 participating companies in the "Europe, Middle East and Africa" region (EMEA), earning 97 points out of 100 possible, as well as in the top 20 among the reports of Russian companies. In the category "Integrated Report", the annual report of IDGC of Centre won a gold award among all companies of the industry and entered the top 80 reports of the EMEA companies. In addition, the report of IDGC of Centre was awarded diplomas in the nomination "Technical Excellence" both in the main category and in the category "Integrated Report".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65387/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2255,12	-0,26%	6,89%
S&P 500	2844,73	0,14%	6,40%
FTSE 100	7558,59	0,03%	-1,68%
DAX	12210,55	-0,22%	-5,47%
DJStoxx 600	381,06	-0,10%	-2,09%
Nikkei	22270,38	0,35%	-2,17%
Sensex	37947,88	0,75%	11,43%
CSI300	3229,62	-1,44%	-19,88%
Bovespa	75845,81	-1,27%	-0,73%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,8932	0,78%	16,08%
EURO/RUB	76,0576	1,11%	10,57%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1178,83	0,40%	-9,53%
Brent*, USD/bbl	71,81	0,53%	7,39%

* - October futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, ₺	MCap**, ₺ bln	
		MCap**, \$ mln	MCap**, \$ mln
IDGC of Centre	0,3065	12,94	193,44
IDGC of Centre & Volga Reg	0,2765	31,16	465,83

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,09%	-1,08%
MICEX POWER Index	-0,53%	-7,34%
IDGC of Centre**	-0,49%	-13,90%
IDGC of Centre and Volga Region**	-0,36%	-8,35%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,21%	-14,49%
FGC UES	-1,01%	-6,57%
IDGC of Volga	-0,16%	-9,45%
MOESK	1,29%	-21,36%
IDGC of Northern Caucasus	-1,29%	-20,57%
IDGC of North-West	2,21%	33,65%
IDGC of Urals	0,55%	-12,41%
IDGC of Siberia	-2,58%	-17,47%
IDGC of South	-2,19%	19,57%
Lenenergo, ordinary shares	0,17%	21,04%
TRK, ordinary shares	-1,88%	-15,36%
Kubanenergo	0,00%	-25,00%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC:MM